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Press release 26 September, 2017

Balco announces listing on Nasdaq Stockholm and publishes prospectus

Balco Group AB (“Balco” or the “Company”), a leading provider of balcony solutions in Northern Europe, and the owners of the Company have decided to diversify the shareholder base by a sale of existing shares (the “Offering”). The Board of Directors of Balco has therefore applied for the Company’s shares to be listed on Nasdaq Stockholm. The Prospectus for the Offering is announced today and the first day of trading is expected to be 6 October, 2017.

The Offering in brief

- The price per share in the Offering is SEK 56, corresponding to a total market value of all issued shares of the Company, upon completion of the Offering, of SEK 1,200 million.
- The Offering comprises 10,714,387 existing shares in Balco, corresponding to 50 percent of the total number of existing shares upon completion of the Offering, which are being offered by Segulah IV, L.P. (“Segulah” or the “Owners”).
- Segulah has reserved the right to increase the Offering by up to 2,142,877 additional shares, corresponding up to 10 percent of the total number of shares in the Company upon completion of the Offering. If the Offering is increased in full, the Offering will in total comprise of 12,857,264 shares.
- In order to cover any over-allotment in connection with the Offering, Segulah has, undertaken, upon request by Carnegie Investment Bank AB (publ) (“Global Coordinator and Joint Bookrunner”) and Danske Bank (together with Carnegie “Joint Bookrunners”), to sell up to 1,928,589 additional existing shares (the “Over-Allotment Option”), corresponding to no more than 15 percent of the total number of shares in the Offering and approximately 9 percent of the total number of shares in the Company upon completion of the Offering.
- Provided that the Offering is increased in full and that the Over-Allotment Option is fully exercised, the Offering will comprise 14,785,853 shares, corresponding to 69

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percent of the total number of shares in the Company upon completion of the Offering.

- The total value of the Offering is approximately SEK 600m, approximately SEK 720m if the Offering is fully increased and approximately SEK 828m if the Over-Allotment is fully exercised.
- Eight cornerstone investors have, subject to certain conditions, undertaken to acquire shares to be sold in the transaction corresponding, in aggregate, to 34.2 percent of the outstanding shares in the Company in connection with the completion of the Offering.
- The cornerstone investors are Erik Selin (committed to acquire 10.4 percent of the total number of outstanding shares in the Company following completion of the Offering), Swedbank Robur Fonder AB (6.2 percent), Vätterledens AB (2.9 percent), Lazard Asset Management GmbH (2.9 percent), Stiftelsen Riksbankens Jubileumsfond (2.9 percent), Taiga Fund Management AS (2.9 percent), Familjen Hamrin (2.9 percent) and LMK Venture Partners AB (2.9 percent).
- The Offering consists of an offer to institutional investors in Sweden and abroad as well as an offer to the general public in Sweden.
- A prospectus with full terms and conditions is published today 26 September, 2017 on Balco's website, on Carnegie's and on Danske Bank's websites for current offerings.
- The application period for institutional investors starts on 27 September, 2017 and is expected to close on 5 October, 2017.
- The application period for the Offering to the general public in Sweden starts on 27 September, 2017 and is expected to close on 4 October, 2017.
- Resolution on allotment of shares will be made by the Company's Board of Directors in consultation with Segulah and the Joint Bookrunners, whereby the goal is to achieve a wide distribution of shares. However, Cornerstone Investors are guaranteed allotment in accordance with their undertakings.
- Trading in Balco shares on Nasdaq Stockholm is expected to commence on 6 October, 2017 and settlement is expected to take place on 10 October, 2017.
- The shares will be traded under the ticker "BALCO".

Kenneth Lundahl, CEO of Balco, comments:

"Balco is a growth company with a leading position in the rapidly growing Northern European balcony market. We are a niche player providing attractive turnkey solutions and create customer value through innovative products, a unique sales process and dedicated

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employees. Balco turns 30 years this year and I can say that the growth journey has only just begun. A listing is an important milestone for Balco. Through new ownership structure, we are given the opportunity to continue building the future's best balcony solutions, educate more potential customers about the benefits of the Balco-method as well as expanding and take part of the huge market potential. We in the management and Board of Directors are looking forward to continue our journey as a listed company and creating value for existing as well as new shareholders."

Lennart Kalén, Chairman of the board, comments:

"During several years, Balco has shown strong growth in terms of order backlog, sales and earnings. Balco has, in parallel with a good financial history, created a well-functioning business model, a strong employee organisation and a clear strategy for future growth and expansion. This is why my and the Board of Director's conviction is that it is the right time for the Company's development to broaden ownership by way of a listing."

Balco in brief

Since Balco was founded in 1987 in Växjö, Sweden, the Company has grown from being a local product-oriented supplier of concrete balconies into a leading market-oriented supplier of glazed balcony solutions. Balco primarily offers customised, innovative balcony solutions under its own brand to tenant-owner associations, private landlords, the public housing sector and construction companies. Balco operates on its Main Markets, which comprise Sweden, Denmark and Norway, as well on its Other Markets, which comprise Germany, Finland, the UK and the Netherlands.

Balco's core expertise is in delivering glazed balconies and balcony solutions, primarily on the renovation market and to tenant-owner associations. The company is specialised in replacing existing balconies with new glazed balconies in accordance with the Balco-method. The method provides many advantages for the customer, such as lower energy costs, enhanced living standard and an increase in the value of the property. Balco has a successful sales process which means that the Company assumes overall responsibility and guides the customer through the entire construction process, from project planning to concluded final inspection and aftermarket service. The Company is one of few complete balcony suppliers on its Main Markets who has the ability to provide customised and high-quality balcony solutions, irrespective of order size and complexity, with short delivery times.

Since its inception, Balco has expanded to several European countries and has today 18 sales offices in seven countries. The Company has three wholly-owned production facilities

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in Sweden, Denmark and Poland, and is part-owner of a strategic Polish subcontractor which, together with the large sales force, constitutes the platform from which Balco delivers its balcony solutions to customers around northern Europe. The Company has made significant investments in its operational platform, thereby creating positive conditions for continued growth in both sales and earnings.

Balco is today the market leader in the balcony market on its Main Markets. Balco is a strong challenger in the Company's Other Markets.

Balco's strong market position within the Renovation segment, combined with its high quality balcony solutions, operational platform and positive underlying market trends, has contributed to a positive development in recent years. During the period 2014 to the twelve-month period ending 30 June 2017, the Group's sales increased from SEK 568.4 million to SEK 929.0 million and adjusted EBIT increased from SEK 41.0 million to SEK 109.8 million, equivalent to an increase in adjusted EBIT margin from 7.2 percent to 11.8 percent. This makes Balco one of the most profitable companies in the balcony market.

Background and reasons for the Offering

Balco's Board of Directors and management, together with Segulah, have made the assessment that the time is right for the Company to take the next step and broaden the Company's shareholder base as well as applying for a listing of the Company's shares on Nasdaq Stockholm. The Board of Directors views the listing as a logical and important step in Balco's development in order to be able to take advantage of the opportunities for growth and increase awareness of Balco and its business operations. The Company's Board of Directors and management believe an exchange listing to be advantageous for the Company by broadening the Company's financing alternatives pending any future capital requirements, since a listing on Nasdaq Stockholm will provide Balco with access to the Swedish and international capital markets.

Prospectus and application forms

A prospectus, containing complete terms and conditions of the Offering, is made public today. The prospectus can be obtained from Balco's website (www.balco.se), from Carnegie's website under the section for ongoing transactions (www.carnegie.se/om-carnegie/kontakt/pagaende-erbjudanden) and from Danske Bank's website (www.danskebank.se/prospekt). Application forms will be available on Danske Bank's website. Applications can also be made via Avanza (www.avanza.se) and via Nordnet (www.nordnet.se).

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Preliminary timetable

Application period for institutional investors:	27 September – 5 October, 2017
Application period for the general public in Sweden:	27 September – 4 October, 2017
First day of trading on Nasdaq Stockholm:	6 October, 2017
Settlement:	10 October, 2017

Advisors

Carnegie is Global Coordinator and Joint Bookrunner. Danske Bank is Joint Bookrunner. Gernandt & Danielsson is legal advisor to Balco and the Owners. Baker McKenzie is legal advisor to the Global Coordinator and the Joint Bookrunners.

Media conference at 10:00 a.m. CET today

Balco invites media and professional investors to a presentation and Q&A session today on 26 September, 2017 at 10:00 a.m. CET at Carnegie at Regeringsgatan 56, Stockholm. The Company's CEO Kenneth Lundahl will present the Company and the Offering as well as answer questions.

For further information, please contact:

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About Segulah

Founded in 1994, Segulah is a private equity firm focused on mid-market buyouts in the Nordic region. The business model is based on majority ownership and an active engagement through its extensive network of industrial advisors. Segulah Advisor AB is the exclusive investment advisor to several Segulah funds including Segulah IV, L.P. which is an English Limited Partnership.

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This press release does not contain or constitute an invitation or an offer to acquire, sell, subscribe for or otherwise trade in shares or other securities in Balco. Invitation to the persons concerned to acquire shares in Balco will only be made through the prospectus referred to in this press release. The prospectus will contain, among other things, risk factors, financial statements as well as information regarding the company's Board of Directors. This press release has not been approved by any regulatory authority and is not a prospectus and accordingly, investors should not acquire any securities referred to in this press release, except on the basis of information provided in the prospectus referred to in this press release.

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This press release contains forward-looking statements which reflect Balco's current view on future events and financial and operational development. Words such as "intend", "will", "expect", "anticipate", "may", "plan", "estimate" and other expressions than historical facts which imply indications or predictions of future development or trends, constitute forward-looking statements. Forward-looking statements inherently involve both known and unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not guarantee future results or development and the actual outcome could

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differ materially from the forward-looking statements. The information, opinions and forward-looking statements concluded in this announcement speak only as of its date and are subject to change without notice.

In connection with the Offering or sale of securities referred to herein, the Global Coordinator may over-allot securities/conduct stabilization or effect transactions with a view to supporting the market price of the securities at a level higher than that which might otherwise prevail. Any stabilization action or over-allotment will be conducted by the Global Coordinators in accordance with all applicable laws and rules.

The information was submitted for publication at 08.00 a.m. CET on 26 September, 2017.